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RAND ROYAL COMMISSION
ON COAL

S U B M I S S I O N

on behalf of

MUNICIPALITY OF THE COUNTY OF CAPE BRETON

TO

RAND ROYAL COMMISSION OF COAL
at Sydhey, Nova Scotia

Presided over by Mr. Justice I.C. Rand



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To: Hon. Justice Ivan C. Rand

BRIEF OF THE MUNICIPALITY OF THE COUNTY OF CAPE BRETON

Mr. Justice Rand:

It is with pleasure that we acknowledge the establishment of a Royal Commission to inquire into the condition of the Coal Industry in Canada. This matter is of such importance to the Province of Nova Scotia and in particular to the County of Cape Breton that we welcome the opportunity to place before you our observations on the meaning of the Coal Mining Industry to this Municipality together with certain recommendations which we feel could be instituted to improve the condition of this industry.

Today we are here speaking solely for the residents of the Municipality of the County of Cape Breton. This Municipality has a population of approximately 37,000 people and the administration of Municipal Affairs involves a provision of educational facilities for approximately 10,500 pupils with schools staffed by approximately 350 teachers. Since the year 1950 there has been a capital expenditure in school construction of \$2,027,000. while there still remains a further amount of \$1,500,000. to be expended in additional school requirements.

In addition to the foregoing the residents of our Municipality are necessarily burdened with the construction of

churches and other public services and have recently embarked on a sharing of costs in the construction of a hospital in the New Waterford area.

The Municipality receives approximately 20% of its tax revenue from taxes levied on coal mines and mining properties. This amount is about 95% of our industrial assessment. In addition, our revenue includes all of the taxes paid by hundreds of miners who own property in our Municipality.

The residents of the Communities of Florence, Reserve Mines, Port Morien, Donkin, New Victoria, Scotchtown and Broughton are for the most part dependent on the coal mines for their livelihood.

In addition to this, the rural areas of the Municipality receive approximately three quarters of a million dollars annually from the sale of timber to the Coal Companies. This amount fluctuates and at one time, at the peak of the mining industry, was considerably in excess of this figure but even today that amount is still obtained by the rural residents of the County.

In the light of the foregoing, you will appreciate that payment, not only of future needs and public services, but also for existing services depends upon the existence of a coal mining industry that is economically healthy, affording employment to a maximum number of miners.

In actual fact, however, we have been faced with an ever decreasing number of operational mines with a consequent loss of employment for hundreds of our municipal residents.

Closing of additional mines would mean further loss in assessment and tax revenue. This would place an additional burden on the taxpayers who at the same time would be faced with loss of employment making it even more difficult to meet their tax obligations. Our Municipality would be placed in a position whereby they would be forced to curtail the necessary services to our residents, and would be unable to meet our financial obligations for commitments which were previously undertaken.

We do not propose to examine in detail the causes of the illness of the Coal Mining Industry or the possible means by which these conditions may be improved. These points will be covered most effectively in other submissions being made to you.

There are, however, a few observations which we would like to make regarding possible means of alleviating the condition of the Industry.

In the year 1934 the Province of Nova Scotia enacted legislation imposing a tax on all fuel oil used for the heating of any building within the Province. This act was never proclaimed but the great inroads made by fuel oil for domestic use in the

present day warrants, it is submitted, the enactment and proclamation of similar legislation.

At the same time, the sale of coal has been hampered by increases in price to some extent necessitated by increases granted in freight rates. This again is in direct contrast to the use of oil which has an agreed freight rate that gives it an additional premium in relation to the sale of coal.

It is also felt that a central marketing agency, established to effect the sale of surplus coal, such as is presently done in the sale of wheat and other food products, would greatly increase the potential market for the coal product. The Dominion Coal Board, it is submitted, could form such an agency and we recommend that this possibility be investigated further.

Efforts have recently been made in this area to institute strip mining of coal. Past experience of operations of this nature have been most unfortunate since these operations afford no permanent industrial benefit, employ very few men, and in the past have effectively destroyed the lands for any other purpose. It is felt that any operation of this nature could only result in further inroads in an already depleted market without any adequate compensating benefits. For this reason we would urge most strongly that a recommendation be made for a prohibition on the strip mining of coal in this County.

Additional protection of our Coal Industry could be obtained by the **imposition** of a federal tax on all imported crude and residual oil. It is suggested that such a tax would not greatly impede our domestic oil industry while it could afford considerable benefit to our coal problem.

As Municipal Officials we do not have access to facilities for thorough investigation and research on these recommendations. They **will** be the subject of detailed submission made to you by others more suitably equipped to enlarge on their desirability. However, we feel, from our limited knowledge, that they warrant most serious and careful scrutiny by the Commission, and we wish to voice our support and approval for them.

Our main concern is the Welfare of this Municipality and to impress on the Commission the absolute necessity of the coal mining industry to our economy.

Finally we wish to express our appreciation of the opportunity to present our brief as well as the courtesy and consideration extended to us by the Commission.

Respectfully submitted,

MUNICIPALITY OF THE COUNTY OF CAPE BRETON

W.F. Beaton,
Warden

